

**COPY**

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8 Counsel for Plaintiff

9 UNITED STATES DISTRICT COURT  
10 CENTRAL DISTRICT OF CALIFORNIA

11 **CV 14-03381** - PA (VBK)

12 **ASHISH ANAND, INDIVIDUALLY**  
13 **AND ON BEHALF OF ALL OTHERS**  
14 **SIMILARLY SITUATED,**

15 Plaintiff,

16 vs.

17 **LIHUA INTERNATIONAL INC.,**  
18 **JIANHUA ZHU, AND DAPHNE YAN**  
19 **HUANG,**

20 Defendants.

21 CLASS ACTION COMPLAINT

22 JURY TRIAL DEMANDED

23 Plaintiff Ashish Anand, individually and on behalf of all other persons  
24 similarly situated, by his undersigned attorneys, for his complaint against  
25 Defendants, alleges the following based upon personal knowledge as to himself and  
26 his own acts, and information and belief as to all other matters, based upon, *inter*  
27 *alia*, the investigation conducted by and through his attorneys, which included,  
28 among other things, a review of the Defendants' public documents, United States  
Securities and Exchange Commission ("SEC") filings, media and news reports, and  
information readily obtainable on the Internet. Plaintiff believes that substantial  
evidentiary support will exist for the allegations set forth herein after a reasonable  
opportunity for discovery.

## **NATURE OF THE ACTION**

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1. This is a federal securities class action on behalf of a class consisting of all persons other than Defendants who purchased the common stock of Lihua International, Inc. (“Lihua” or the “Company”) between August 9, 2012 and April 30, 2014 (the “Class Period”), inclusive, seeking to recover damages caused by Defendants’ violations of federal securities laws and pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

## **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act, (15 U.S.C. §78j (b) and 78t (a)), and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to §27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. § 1331.

4. Venue is proper in this Judicial District pursuant to §27 of the Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b).

5. In connection with the acts, conduct and other wrongs alleged in this Complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

## **PARTIES**

1           6. Plaintiff, as set forth in the accompanying certification, incorporated  
2 by reference herein, purchased Lihua common stock at artificially inflated prices  
3 during the Class Period and has been damaged thereby.  
4

5           7. Defendant Lihua International Inc. is a Delaware corporation that  
6 purports to manufacture, market, and distribute refined copper products through its  
7 wholly-owned subsidiaries Danyang Lihua Electron Co., Ltd., (“Lihua Electron”)  
8 and Jiangsu Lihua Copper Industry Co., Ltd. (“Lihua Copper”). During the Class  
9 Period the Company’s stock was traded on the NASDAQ Stock Market under the  
10 symbol “LIWA.”  
11

12           8. Throughout the Class Period the company was headquartered in  
13 Jiangsu Province of the People’s Republic of China (“PRC”).  
14

15           9. Defendant Jianhua Zhu (“Zhu”) was, at all relevant times, the  
16 President, Chief Executive Officer, and Chairman of the Board of Directors of  
17 Lihua.  
18

19           10. Defendant Daphne Yan Huang (“Huang”) was, at all relevant times,  
20 the Chief Financial Officer and Treasurer of Lihua.  
21

22                   **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

23           11. Plaintiff brings this action as a class action pursuant to Federal Rules  
24 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all persons  
25 who purchased the common stock of Lihua during the Class Period and who were  
26 damaged thereby. Excluded from the Class are Defendants, the officers and  
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1 directors of the Company at all relevant times, members of their immediate families  
2 and their legal representatives, heirs, successors or assigns and any entity in which  
3 Defendants have or had a controlling interest.  
4

5 12. The members of the Class are so numerous that joinder of all members  
6 is impracticable. Throughout the Class Period, Lihua's common stock was actively  
7 traded on NASDAQ. While the exact number of Class members is unknown to  
8 Plaintiff at this time and can only be ascertained through appropriate discovery,  
9 Plaintiff believes that there are at least hundreds of members in the proposed Class.  
10 Members of the Class may be identified from records maintained by Lihua or its  
11 transfer agent and may be notified of the pendency of this action by mail, using a  
12 form of notice customarily used in securities class actions.  
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15 13. Plaintiff's claims are typical of the claims of the members of the Class,  
16 as all members of the Class are similarly affected by Defendants' wrongful conduct  
17 in violation of federal law that is complained of herein.  
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20 14. Plaintiff will fairly and adequately protect the interests of the members  
21 of the Class and has retained counsel competent and experienced in class and  
22 securities litigation.  
23

24 15. Common questions of law and fact exist as to all members of the Class  
25 and predominate over any questions solely affecting individual members of the  
26 Class. Among the questions of law and fact common to the Class are:  
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1 (a) whether the federal securities laws were violated by Defendants'  
2 acts as alleged herein;

3  
4 (b) whether statements made by Defendants to the investing public  
5 during the Class Period misrepresented material facts about the business and  
6 operations of Lihua;

7  
8 (c) whether the Defendants made the false and misleading statements  
9 with scienter; and

10 (c) to what extent the members of the Class have sustained damages,  
11 and the proper measure of damages.

12  
13 16. A class action is superior to all other available methods for the fair and  
14 efficient adjudication of this controversy since joinder of all members is  
15 impracticable. Furthermore, as the damages suffered by individual Class members  
16 may be relatively small, the expense and burden of individual litigation make it  
17 impossible for members of the Class to redress individually the wrongs done to  
18 them. There will be no difficulty in the management of this action as a class action.

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21 **SUBSTANTIVE ALLEGATIONS**

22  
23 17. On August 9, 2012, Lihua filed its Form 10-Q for the quarter ended  
24 June 30, 2012 ("2012 Second Quarter 10-Q") with the SEC. This Form 10-Q and  
25 the accompanying Sarbanes-Oxley Certification were signed by Defendants Zhu  
26 and Huang.

1           18. The 2012 Second Quarter 10-Q reported, for the three-month period  
2 ended June 30, 2012, revenues totaling \$191 million and a net income of \$13  
3 million.  
4

5           19. On March 18, 2013, Lihua filed its Form 10-K Annual Report for the  
6 fiscal year ended December 31, 2012 (“2012 10-K”) with the SEC. This Form 10-K  
7 was signed by Defendants Zhu and Huang, as well as several directors of Lihua.  
8

9           20. Zhu and Huang also signed the Sarbanes-Oxley certifications  
10 accompanying the 2012 10-K.  
11

12           21. The 2012 10-K portrayed Lihua as a growing and profitable company.  
13 Lihua reported \$853 million in revenue and \$57 million in net income for 2012 on  
14 the 2012 10-K.  
15

16           22. The 2012 10-K also reported total assets of \$293 million, and only \$14  
17 million in total liabilities.  
18

19           23. On March 17, 2014, Lihua filed its Form 10-K Annual Report for the  
20 fiscal year ended December 31, 2013 (“2013 10-K”) with the SEC. This Form 10-K  
21 was signed by Defendants Zhu and Huang, as well as several directors of Lihua.  
22

23           24. Zhu and Huang also signed the Sarbanes-Oxley certifications  
24 accompanying the 2013 10-K.

25           25. The 2013 10-K continued to portray Lihua as a thriving company.  
26 Lihua reported \$900 million in revenue and \$56 million in net income for 2013 on  
27 the 2013 10-K.  
28



1           26. The 2013 10-K also reported total assets of \$365 million, and only \$19  
2 million in total liabilities.

3  
4           27. These rosy figures were false and misleading, and masked serious and  
5 deteriorating conditions at Lihua.

6  
7                                   **The Begins to Emerge**

8           28. On March 28, 2014, People's Daily, the official newspaper of the  
9 government of China, published a report exposing Lihua's troubles (the "People's  
10 Daily Report").

11  
12           29. The People's Daily Report revealed that Lihua's business took a  
13 drastic turn for the worse starting from the end of 2012.

14           30. The People's Daily Report stated that: (1) Lihua's cash flow is broken,  
15 and its warehouse has been seized and sealed by the local court; (2) Lihua's  
16 production activities substantially decreased in 2013, and have nearly ceased after  
17 the 2014 Spring Festival (January 31, 2014); (3) Zhu attempted to move Lihua's  
18 inventory in order to hide assets from creditors, and as a result, he is now being  
19 investigated by the local police for larceny.

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22           31. American investors were made aware of these problems for the first  
23 time on April 30, 2014, when GeoInvesting publicized the contents of the People's  
24 Daily Report.

1           32. These adverse facts caused the value of Lihua's stock to drop by more  
2 than 50% on April 30, 2014, from \$4.33 to \$2.08 per share, before it was halted by  
3 NASDAQ.  
4

5                           **Applicability of Presumption of Reliance:**  
6                           **Fraud-on-the-Market Doctrine**

7           33. At all relevant times, the market for Lihua common stock was an  
8 efficient market for the following reasons, among others:

9           (a) Lihua's stock was listed and actively traded on NASDAQ, a major, highly  
10 efficient, and automated market.  
11

12           (b) During the class period, on average, over hundreds of thousands of shares of  
13 Lihua stock were traded on a weekly basis, demonstrating a very active and broad market  
14 for Lihua and permitting a very strong presumption of an efficient market;  
15

16           (c) Lihua regularly communicated with public investors via established  
17 market communication mechanisms, including through regular disseminations of  
18 press releases on the national circuits of major newswire services and through  
19 other wide-ranging public disclosures, such as communications with the financial  
20 press and other similar reporting services;  
21

22           (d) Lihua was followed by at least one securities analysts employed  
23 by a major brokerage firm who wrote reports that were distributed to the sales  
24 force and certain customers of his/her brokerage firm during the Class Period.  
25 Each of these reports was publicly available and entered the public marketplace;  
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1 (e) Unexpected material news about Lihua was rapidly reflected and  
2 incorporated into the Company's stock price during the Class Period.

3  
4 34. As a result of the foregoing, the market for Lihua's common stock  
5 promptly digested current information regarding Lihua from all publicly available  
6 sources and reflected such information in Lihua's stock price. Under these  
7 circumstances, all purchasers of Lihua's common stock during the Class Period  
8 suffered similar injury through their purchase of Lihua's common stock at  
9 artificially inflated prices, and a presumption of reliance applies.  
10

11  
12 **ECONOMIC LOSS/LOSS CAUSATION**

13 35. The market for Lihua's common stock was open, well-developed and  
14 efficient at all relevant times. As a result of these materially false and misleading  
15 statements and failures to disclose, Lihua's securities traded at artificially inflated  
16 prices during the Class Period. Plaintiffs and other members of the Class purchased  
17 or otherwise acquired Lihua's common stock relying upon the integrity of the  
18 market price of Lihua's securities and market information relating to Lihua, and  
19 have been damaged thereby.  
20

21  
22 36. During the Class Period, Defendants materially misled the investing  
23 public, thereby inflating the price of Lihua's common stock, by publicly issuing  
24 false and misleading statements and omitting to disclose material facts necessary to  
25 make Defendants' statements, as set forth herein, not false and misleading. Said  
26 statements and omissions were materially false and misleading in that they failed to  
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1 disclose material adverse information and misrepresented the truth about the  
2 Company, its business and operations, as alleged herein.

3  
4 37. At all relevant times, the material misrepresentations and omissions  
5 particularized in this Complaint directly or proximately caused or were a substantial  
6 contributing cause of the damages sustained by Plaintiffs and other members of the  
7 Class. As described herein, during the Class Period, Defendants made or caused to  
8 be made a series of materially false or misleading statements about Lihua's  
9 business, prospects and operations. These material misstatements and omissions  
10 had the cause and effect of creating in the market an unrealistically positive  
11 assessment of Lihua and its business, prospects and operations, thus causing the  
12 Company's common stock to be overvalued and artificially inflated at all relevant  
13 times. Defendants' materially false and misleading statements during the Class  
14 Period resulted in Plaintiffs and other members of the Class purchasing the  
15 Company's securities at artificially inflated prices, thus causing the damages  
16 complained of herein.

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21 **FIRST CLAIM**  
22 **Violation of Section 10(b) of**  
23 **The Exchange Act and Rule 10b-5**  
24 **Promulgated Thereunder Against All Defendants**

25 38. Plaintiff repeats and realleges each and every allegation contained  
26 above as if fully set forth herein.

27 39. During the Class Period, Defendants carried out a plan, scheme and  
28 course of conduct which was intended to and, throughout the Class Period, did: (1)

1 deceive the investing public, including Plaintiff and other Class members, as  
2 alleged herein; and (2) cause Plaintiff and other members of the Class to purchase  
3 Lihua's securities at artificially inflated prices. In furtherance of this unlawful  
4 scheme, plan and course of conduct, each of the Defendants took the actions set  
5 forth herein.  
6

7  
8 40. Defendants: (a) employed devices, schemes, and artifices to defraud;  
9 (b) made untrue statements of material fact and/or omitted to state material facts  
10 necessary to make the statements not misleading; and (c) engaged in acts, practices,  
11 and a course of business that operated as a fraud and deceit upon the purchasers of  
12 the Company's securities in an effort to maintain artificially high market prices for  
13 Lihua's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5  
14 promulgated thereunder. All Defendants are sued either as primary participants in  
15 the wrongful and illegal conduct charged herein or as controlling persons as alleged  
16 below.  
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20 41. Defendants, individually and in concert, directly and indirectly, by the  
21 use, means or instrumentalities of interstate commerce and/or of the mails, engaged  
22 and participated in a continuous course of conduct to conceal adverse material  
23 information about the business, operations and future prospects of Lihua as  
24 specified herein.  
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26  
27 42. These Defendants employed devices, schemes, and artifices to defraud  
28 while in possession of material adverse non-public information, and engaged in

1 acts, practices, and a course of conduct as alleged herein in an effort to assure  
2 investors of Lihua's value and performance and continued substantial growth,  
3 which included the making of, or participation in the making of, untrue statements  
4 of material facts and omitting to state material facts necessary in order to make the  
5 statements made about Lihua and its business operations and future prospects in the  
6 light of the circumstances under which they were made, not misleading, as set forth  
7 more particularly herein, and engaged in transactions, practices and a course of  
8 business that operated as a fraud and deceit upon the purchasers of Lihua's  
9 securities during the Class Period.

13 43. Zhu's and Huang's primary liability, and controlling person liability,  
14 arises from the following facts: (1) Zhu and Huang were high-level executives,  
15 directors, and/or agents at the Company during the Class Period and members of  
16 the Company's management team or had control thereof; (2) Zhu and Huang, by  
17 virtue of their responsibilities and activities as a senior officer and/or director of the  
18 Company, was privy to and participated in the creation, development and reporting  
19 of the Company's financial condition; (3) Zhu and Huang enjoyed significant  
20 personal contact and familiarity with the other Defendants and was advised of and  
21 had access to other members of the Company's management team, internal reports  
22 and other data and information about the Company's finances, operations, and sales  
23 at all relevant times; and (4) Zhu and Huang were aware of the Company's  
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1 dissemination of information to the investing public which they knew or recklessly  
2 disregarded was materially false and misleading.

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4 44. Defendants had actual knowledge of the misrepresentations and  
5 omissions of material facts set forth herein, or acted with reckless disregard for the  
6 truth in that they failed to ascertain and to disclose such facts, even though such  
7 facts were available to them. Such Defendants' material misrepresentations and/or  
8 omissions were done knowingly or recklessly and for the purpose and effect of  
9 concealing Lihua's operating condition and future business prospects from the  
10 investing public and supporting the artificially inflated price of its securities. As  
11 demonstrated by Defendants' overstatements and misstatements of the Company's  
12 financial condition throughout the Class Period, Defendants, if they did not have  
13 actual knowledge of the misrepresentations and omissions alleged, were reckless in  
14 failing to obtain such knowledge by deliberately refraining from taking those steps  
15 necessary to discover whether those statements were false or misleading.  
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20 45. As a result of the dissemination of the materially false and misleading  
21 information and failure to disclose material facts, as set forth above, the market  
22 price of Lihua's securities was artificially inflated during the Class Period. In  
23 ignorance of the fact that market prices of Lihua's publicly-traded securities were  
24 artificially inflated, and relying directly or indirectly on the false and misleading  
25 statements made by Defendants, or upon the integrity of the market in which the  
26 common stock trades, and/or on the absence of material adverse information that  
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1 was known to or recklessly disregarded by Defendants but not disclosed in public  
2 statements by Defendants during the Class Period, Plaintiff and the other members  
3 of the Class acquired Lihua's securities during the Class Period at artificially high  
4 prices and were or will be damaged thereby.

5  
6 46. At the time of said misrepresentations and omissions, Plaintiff and  
7 other members of the Class were ignorant of their falsity, and believed them to be  
8 true. Had Plaintiff and the other members of the Class and the marketplace known  
9 the truth regarding Lihua's financial results, which was not disclosed by  
10 Defendants, Plaintiff and other members of the Class would not have purchased or  
11 otherwise acquired their Lihua's securities, or, if they had acquired such securities  
12 during the Class Period, they would not have done so at the artificially inflated  
13 prices that they paid.

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17 47. By virtue of the foregoing, Defendants have violated Section 10(b) of  
18 the Exchange Act, and Rule 10b-5 promulgated thereunder.

19  
20 48. As a direct and proximate result of Defendants' wrongful conduct,  
21 Plaintiff and the other members of the Class suffered damages in connection with  
22 their respective purchases and sales of the Company's securities during the Class  
23 Period.

24  
25 49. This action was filed within two years of discovery of the fraud and  
26 within five years of each plaintiff's purchases of securities giving rise to the cause  
27 of action.  
28

**SECOND CLAIM**  
**Violation of Section 20(a) of**  
**The Exchange Act Against Zhu and Huang**

50. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

51. Zhu and Huang acted as controlling persons of Lihua within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions, agency, ownership and contractual rights, and participation in and/or awareness of the Company's operations and/or intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Zhu and Huang had the power to influence and control, and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements that Plaintiff contends are false and misleading. Zhu and Huang were provided with or had unlimited access to copies of the Company's reports, press releases, public filings and other statements alleged by Plaintiff to have been misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or to cause the statements to be corrected.

52. In particular, Zhu and Huang had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, are presumed to have had the power to control or influence the particular transactions giving rise to the securities violations as alleged herein, and exercised the same.



1           53. As set forth above, Lihua, Zhu, and Huang each violated Section  
2 10(b), and Rule 10b-5 promulgated thereunder, by their acts and omissions as  
3 alleged in this Complaint.  
4

5           54. By virtue of their positions as controlling persons, Zhu and Huang are  
6 liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate  
7 result of Defendants' wrongful conduct, Plaintiff and other members of the Class  
8 suffered damages in connection with their purchases of the Company's securities  
9 during the Class Period.  
10

11           55. This action was filed within two years of discovery of the fraud and  
12 within five years of each Plaintiff's purchases of securities giving rise to the cause  
13 of action.  
14

15           **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:  
16

17           (a) Determining that this action is a proper class action, designating  
18 Plaintiff as Lead Plaintiff and certifying Plaintiff as a class representative under  
19 Rule 23 of the Federal Rules of Civil Procedure and Plaintiff's counsel as Lead  
20 Counsel;  
21

22           (b) Awarding compensatory damages in favor of Plaintiff and the  
23 other Class members against all Defendants, jointly and severally, for all damages  
24 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,  
25 including interest thereon;  
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1 (c) Awarding Plaintiff and the Class their reasonable costs and  
2 expenses incurred in this action, including counsel fees and expert fees; and  
3

4 (d) Such other and further relief as the Court may deem just and  
5 proper.  
6

7 **JURY TRIAL DEMANDED**

8 Plaintiff hereby demands a trial by jury.

9 Dated: May 1, 2014

Respectfully submitted,

10 **THE ROSEN LAW FIRM, P.A.**

11   
12

13 Laurence M. Rosen, Esq. (SBN 219683)  
14 355 South Grand Avenue, Suite 2450  
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Facsimile: (213) 226-4684  
Email: lrosen@rosenlegal.com

17 Counsel for Plaintiff  
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## Certification and Authorization of Named Plaintiff Pursuant to Federal Securities Laws

The individual or institution listed below (the "Plaintiff") authorizes and, upon execution of the accompanying retainer agreement by The Rosen Law Firm P.A., retains The Rosen Law Firm P.A. to file an action under the federal securities laws to recover damages and to seek other relief against Lihua International, Inc.. The Rosen Law Firm P.A. will prosecute the action on a contingent fee basis and will advance all costs and expenses. The Lihua International, Inc.. Retention Agreement provided to the Plaintiff is incorporated by reference, upon execution by The Rosen Law Firm P.A.

First name: Ashish

Middle Initial:

Last name: Anand

Address:

City:

State:

Zip:

Country:

Facsimile:

Phone:

Email:

Plaintiff certifies that:

1. Plaintiff has reviewed the complaint and authorized its filing.
2. Plaintiff did not acquire the security that is the subject of this action at the direction of plaintiff's counsel or in order to participate in this private action or any other litigation under the federal securities laws.
3. Plaintiff is willing to serve as a representative party on behalf of a class, including providing testimony at deposition and trial, if necessary.
4. Plaintiff represents and warrants that he/she/it is fully authorized to enter into and execute this certification.
5. Plaintiff will not accept any payment for serving as a representative party on behalf of the class beyond the Plaintiff's pro rata share of any recovery, except such reasonable costs and expenses (including lost wages) directly relating to the representation of the class as ordered or approved by the court.
6. Plaintiff has made no transaction(s) during the Class Period in the debt or equity securities that are the subject of this action except those set forth below:

Acquisitions:

Type of Security	Buy Date	# of Shares	Price per Share
Common Stock	07/19/2013	200	5.11

7. I have not served as a representative party on behalf of a class under the federal security laws during the last three years, except if detailed below. [ ]

I declare under penalty of perjury, under the laws of the United States, that the information entered is accurate:

YES

**Certification for Ashish Anand (cont.)**

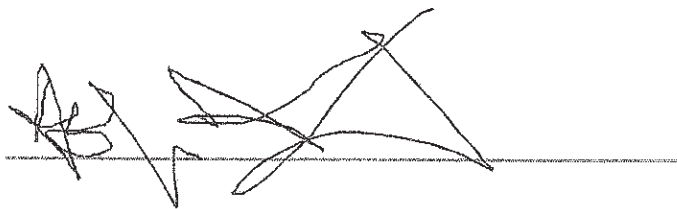
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By clicking on the button below, I intend to sign and execute this agreement and retain the Rosen Law Firm, P.A. to proceed on Plaintiff's behalf, on a contingent fee basis.

**YES**

Signed pursuant to California Civil Code Section 1633.1, et seq. - and the Uniform Electronic Transactions Act as adopted by the various states and territories of the United States.

Date of signing: 05/01/2014

A handwritten signature in black ink, appearing to read 'Ashish Anand', is written over a horizontal line.

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

<b>I. (a) PLAINTIFFS</b> ( Check box if you are representing yourself <input type="checkbox"/> )  Ashish Anand, Individually and On Behalf of all others Similarly Situated	<b>DEFENDANTS</b> ( Check box if you are representing yourself <input type="checkbox"/> )  LIHUA INTERNATIONAL INC., JIANHUA ZHU, and DAPHNE YANG HUANG
<b>(b) County of Residence of First Listed Plaintiff</b> _____ (EXCEPT IN U.S. PLAINTIFF CASES)	<b>County of Residence of First Listed Defendant</b> _____ (IN U.S. PLAINTIFF CASES ONLY)
<b>(c) Attorneys (Firm Name, Address and Telephone Number)</b> If you are representing yourself, provide the same information.  Laurence M. Rosen, Esq. (SBN 219683), The Rosen Law Firm, P.A. 355 South Grand Avenue, Suite 2450 Los Angeles CA 90071 213-785-2610	<b>Attorneys (Firm Name, Address and Telephone Number)</b> If you are representing yourself, provide the same information.

<b>II. BASIS OF JURISDICTION</b> (Place an X in one box only.)  <input type="checkbox"/> 1. U.S. Government Plaintiff <input checked="" type="checkbox"/> 3. Federal Question (U.S. Government Not a Party)  <input type="checkbox"/> 2. U.S. Government Defendant <input type="checkbox"/> 4. Diversity (Indicate Citizenship of Parties in Item III)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> -For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant) <table style="width:100%; border: none;"> <tr> <td style="width:33%;">Citizen of This State</td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:33%;">Incorporated or Principal Place of Business in this State</td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td></td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td></td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF		<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF																				
	<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

**IV. ORIGIN** (Place an X in one box only.)

☒ 1. Original Proceeding   
 ☐ 2. Removed from State Court   
 ☐ 3. Remanded from Appellate Court   
 ☐ 4. Reinstated or Reopened   
 ☐ 5. Transferred from Another District (Specify)   
 ☐ 6. Multi-District Litigation

**V. REQUESTED IN COMPLAINT: JURY DEMAND:** ☒ Yes ☐ No (Check "Yes" only if demanded in complaint.)

**CLASS ACTION under F.R.Cv.P. 23:** ☒ Yes ☐ No      ☐ **MONEY DEMANDED IN COMPLAINT:** \$

**VI. CAUSE OF ACTION** (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)  
 Class Action for Violations of the Federal Securities Laws, 15 U.S.C. 78j(b) and 78t(a)

**VII. NATURE OF SUIT** (Place an X in one box only.)

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/Etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org. <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input checked="" type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.) <input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">TORTS PERSONAL INJURY</div> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">TORTS PERSONAL PROPERTY</div> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">BANKRUPTCY</div> <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">CIVIL RIGHTS</div> <input type="checkbox"/> 440 Other Civil Rights <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 445 American with Disabilities-Employment <input type="checkbox"/> 446 American with Disabilities-Other <input type="checkbox"/> 448 Education	<div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">Habeas Corpus:</div> <input type="checkbox"/> 463 Alien Detainee <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">Other:</div> <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition <input type="checkbox"/> 560 Civil Detainee Conditions of Confinement <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">FORFEITURE/PENALTY</div> <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">LABOR</div> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Ret. Inc. Security Act	<input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">SOCIAL SECURITY</div> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405 (g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405 (g)) <div style="background-color: #cccccc; text-align: center; font-weight: bold; padding: 2px;">FEDERAL TAX SUITS</div> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

FOR OFFICE USE ONLY:

Case Number:

CV-71 (11/13)

CIVIL COVER SHEET

Page 1 of 3



**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**VIII. VENUE:** Your answers to the questions below will determine the division of the Court to which this case will most likely be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

**Question A: Was this case removed from state court?**

☐ Yes ☒ No

If "no," go to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.

STATE CASE WAS PENDING IN THE COUNTY OF	INITIAL DIVISION IN CACD IS:
<input type="checkbox"/> Los Angeles	Western
<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	Western
<input type="checkbox"/> Orange	Southern
<input type="checkbox"/> Riverside or San Bernardino	Eastern

**Question B: Is the United States, or one of its agencies or employees, a party to this action?**

☐ Yes ☒ No

If "no," go to Question C. If "yes," check the box to the right that applies, enter the corresponding division in response to Question D, below, and skip to Section IX.

If the United States, or one of its agencies or employees, is a party, is it:		INITIAL DIVISION IN CACD IS:
A PLAINTIFF	A DEFENDANT?	
Then check the box below for the county in which the majority of DEFENDANT resides:	Then check the box below for the county in which the majority of PLAINTIFFS reside:	
<input type="checkbox"/> Los Angeles	<input type="checkbox"/> Los Angeles	Western
<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	<input type="checkbox"/> Ventura, Santa Barbara, or San Luis Obispo	Western
<input type="checkbox"/> Orange	<input type="checkbox"/> Orange	Southern
<input type="checkbox"/> Riverside or San Bernardino	<input type="checkbox"/> Riverside or San Bernardino	Eastern
<input type="checkbox"/> Other	<input type="checkbox"/> Other	Western

**Question C: Location of plaintiffs, defendants, and claims? (Make only one selection per row)**

	A Los Angeles County	B Ventura, Santa Barbara, or San Luis Obispo Counties	C Orange County	D Riverside or San Bernardino Counties	E Outside the Central District of California	F Other
Indicate the location in which a majority of plaintiffs reside:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indicate the location in which a majority of defendants reside:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indicate the location in which a majority of claims arose:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**C.1. Is either of the following true? If so, check the one that applies:**

- ☐ 2 or more answers in Column C  
☐ only 1 answer in Column C and no answers in Column D

Your case will initially be assigned to the  
SOUTHERN DIVISION.  
Enter "Southern" in response to Question D, below.

If none applies, answer question C2 to the right. →

**C.2. Is either of the following true? If so, check the one that applies:**

- ☐ 2 or more answers in Column D  
☐ only 1 answer in Column D and no answers in Column C

Your case will initially be assigned to the  
EASTERN DIVISION.  
Enter "Eastern" in response to Question D, below.

If none applies, go to the box below. ↓

Your case will initially be assigned to the  
WESTERN DIVISION.  
Enter "Western" in response to Question D below.

**Question D: Initial Division?**

Enter the Initial division determined by Question A, B, or C above: →

INITIAL DIVISION IN CACD:

Western

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA  
CIVIL COVER SHEET**

**IX(a). IDENTICAL CASES:** Has this action been previously filed in this court and dismissed, remanded or closed? ☒ NO ☐ YES

If yes, list case number(s): \_\_\_\_\_

**IX(b). RELATED CASES:** Have any cases been previously filed in this court that are related to the present case? ☒ NO ☐ YES

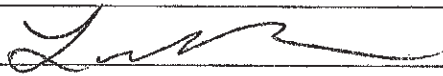
If yes, list case number(s): \_\_\_\_\_

**Civil cases are deemed related if a previously filed case and the present case:**

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
- ☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
- ☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
- ☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

**X. SIGNATURE OF ATTORNEY**

(OR SELF-REPRESENTED LITIGANT):



DATE: 5/1/2014

**Notice to Counsel/Parties:** The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))